

## Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 SPC-03 AID-20 EB-11 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-15 STR-08 OMB-01 CEA-02 XMB-07 L-03

H-03 CIAE-00 DODE-00 INR-10 NSAE-00 PA-03 USIA-15

PRS-01 COME-00 AGR-20 DRC-01 /157 W

----- 126197

R 172219Z SEP 73

FM AMEMBASSY BOGOTA

TO SECSTATE WASHDC 9465

UNCLAS BOGOTA 7685

E.O. 11652: N/A

TAGS: ETRD, CO

SUBJECT: COLOMBIA BANK GUARANTEE BG-8025/G-2-127

REF: STATE T-5946

PASS EXIMBANK AND TREASURY

1. PROCEDURE OUTLINED REFTEL TO OBTAIN CONVERSION THROUGH BOR (CENTRAL BANK) OF LOCAL CURRENCY PRESENTLY BEING HELD FOR EXIM BANK RESULTING FROM BANKRUPTCY OF MONTEREY TEXTILES APPARENTLY NOT SUCCESSFUL. THE EXCHANGE OFFICE OF THE BOR, IN A LETTER TO JORGE RUEDA DATED 7 SEPT. 1973, STATES THAT EXISTING EXCHANGE LAWS DO NOT PROVIDE FOR SPECIAL CIRCUMSTANCES WHICH WOULD ENABLE BOR TO CONVERT PESOS TO DOLLARS FOR EXIM. TEXTS OF EXCHANGE OF LETTERS TO BE POUCHED TO DEPARTMENT IN CARE OF STATE DESK. THE BOR LETTER SUGGESTS THAT RUEDA CONTINUE TO SEARCH WITHIN COLOMBIA FOR DOCUMENTS TO SATISFY COLOMBIAN LAW. IF THIS SHOULD FAIL LETTER SUGGESTS CASE BE BROUGHT TO THE ATTENTION OF THE MONETARY JUNTA WHICH HAS THE AUTHORITY TO APPROVE THE EXCHANGE CONVERSION WITHOUT THE REQUIRED PAPERS. RUEDA BELIEVES THAT THE DOCUMENTS REQUIRED BY BOR ARE NOT AVAILABLE.

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2. IN LIGHT OF THE ABOVE AND GIVEN THAT (A) EACH FURTHER DAY'S DELAY IN MAKING THE CONVERSION MEANS IN EFFECT LESS

DOLLARS FOR EXIM AND (B) MISSION WOULD PREFER NOT TO BRING SUCH A SMALL ISSUE (52,644 PESOS) TO THE MONETARY JUNTA FOR RESOLUTION, WE ARE PROPOSING THAT THE CONVERSION BE MADE WITHOUT FURTHER DELAY THROUGH THE REGIONAL DISBURSING OFFICER (RDO). WE SEE NO VIOLATION OF COLOMBIAN LAW SINCE IT WOULD BE STRICTLY AN INTERNAL TRANSFER TRANSACTION BETWEEN TWO USG AGENCIES. GIVEN OUR RELATIVELY LARGE AVERAGE ANNUAL REQUIREMENTS FOR PESOS WHICH MUST BE PURCHASED WITH DOLLARS THIS SMALL EXIM CONVERSION SHOULD NOT REQUIRE ANY SUBSTANTIAL ADDITIONAL DOLLAR LOSSES FOR EXIM EVEN IF TREASURY ACCORDS THIS TRANSACTION A LOW PRIORITY.

3. REQUIRED ACTION: REQUEST AUTHORITY FROM EXIM AND TREASURY TO MAKE CONVERSION THROUGH RDO WITHOUT FURTHER DELAY. SUGGEST IMPLEMENTING INSTRUCTIONS TAKE INTO ACCOUNT FACT THAT MISSION WILL NEED FEW DAYS TO PHYSICALLY TAKE POSSESSION OF PESOS NOW BEING HELD BY RUEDA. ONLY OTHER OPTION WOULD BE TO MAKE DIRECT REPRESENTATION TO MONETARY JUNTA WHICH OF COURSE MISSION WILL PURSUE IF PREFERRED OPTION NOT FEASIBLE.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LOAN GUARANTEES, FOREIGN EXCHANGE TRANSACTIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 SEP 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
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**Disposition History:** n/a  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** STATE T-5946  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** willialc  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 02 OCT 2001  
**Review Event:**  
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**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** COLOMBIA BANK GUARANTEE BG-8025/G-2-127  
**TAGS:** ETRD, CO  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005